

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

..title

AN ORDINANCE relating to tenant protections; establishing rent control provisions; regulating residential rent increases; establishing a Rent Control Board to authorize rent control exemptions; establishing enforcement provisions; adding a new Chapter 7.28 to the Seattle Municipal Code; and amending Sections 3.06.030 and 22.214.040 of the Seattle Municipal Code.

..body

WHEREAS, Article 25 of the United Nations' Universal Declaration of Human Rights

recognizes housing as a human right; and

WHEREAS, Seattle faces an affordable housing and homelessness crisis as rising rents have

forced thousands of Seattle renters out of their homes, neighborhoods, and the City; and

WHEREAS, between 2010 and 2018 average rent in the Seattle area rose 69 percent while

inflation for Urban Wage Earners (CPI-W) in the Seattle area rose only 20.3 percent; and

WHEREAS, rental housing industry analysis firm, ApartmentList.com, calculated that Seattle

rents increased by 3.5% in one month between March and April 2021, which is an

annualized rate of 42% rent increases if that trend continues; and

WHEREAS, the “Seattle Housing Market Forecast for 2021” of real estate investment consulting

firm, Mashvisor, notes that “Seattle real estate investors are continuing to enjoy a good

return on investment on rental properties... Although affordability continues to be an

issue for local residents, it does have a positive aspect for Seattle real estate investors.

Owning a rental property in Seattle does mean high demand which translates into good

occupancy rates and cash flow”; and

WHEREAS, a national study published in the Journal of Urban Affairs established the

correlation between increasing rent and homelessness including that: (1) Washington is

1 the tenth most expensive state for renters; (2) the high cost of rental housing is driving
2 increases in homelessness; and (3) an increase of \$100 in median rent for an area results
3 in a 15 percent (metro areas) and a 39 percent (nearby suburbs and rural areas) increase in
4 homelessness; and

5 WHEREAS, across the United States and around the world rent control policies have allowed
6 millions of people to remain in their homes, neighborhoods and cities; and

7 WHEREAS, in September 2015, the Seattle City Council passed Resolution 31620 advocating
8 for the “State Legislature to allow local governments to propose ordinances that
9 significantly increase the supply of rent restricted units and that protect tenants from
10 sudden and dramatic rent increases, without causing a negative impact on the quality or
11 quantity of housing supply, by modifying or repealing RCW 35.21.830”; and

12 WHEREAS, there is a growing movement of renters for rent control, which in 2018 and 2019
13 won new rent control laws and expansions of existing rent control laws in California,
14 Oregon, and New York; and

15 WHEREAS, over 12,000 Seattleites have signed a petition, urging the City of Seattle to enact
16 rent control; NOW, THEREFORE,

17 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

18 Section 1. A new Chapter 7.28 is added to the Seattle Municipal Code as follows:

19 **CHAPTER 7.28 RENT CONTROL**

20 **7.28.010 Short title**

21 This Chapter 7.28 may be known as the Rent Control Ordinance.

7.28.020 Purposes

The purposes of this Chapter 7.28 are to prohibit large and unaffordable rent increases that cause housing displacement for tenants, to help renters build community by allowing them to remain in their neighborhoods, to allow young people to remain in their neighborhood schools, to prevent the expansion of homelessness, to reduce the waste of fuel and time resulting from long commutes, and to promote the affordability of housing in Seattle.

7.28.030 Definitions

"Department" means the Seattle Department of Construction and Inspections or its successor.

"Director" means the Director of the Seattle Department of Construction and Inspections.

"Hearing Examiner" means the official appointed by the Council and designated as the Hearing Examiner.

"Inflation" or "rate of inflation" means 100 percent of the annual average growth rate of the bi-monthly Seattle-Tacoma-Bellevue Area Consumer Price Index for Urban Wage Earners and Clerical Workers, termed CPI-W, for the 12-month period ending in August.

"Landlord" means the owner, lessor, or sublessor of the rental housing unit or the property of which it is a part, and in addition means any person designated as representative of the owner, lessor, or sublessor including, but not limited to, an agent, a resident manager, or a designated property manager.

"Person" means any individual, firm, corporation, association, governmental entity, or partnership and its agents or assigns.

"Rent" and "rental amount" mean "rent" as defined by chapter 59.18 RCW.

1 "Rental agreement" means a "rental agreement" as defined in and within the scope of
2 RCW 59.18.030 and RCW 59.18.040 of the RLTA in effect at the time the rental agreement is
3 executed.

4 "Renter" and "tenant" mean a "tenant" as defined in and within the scope of RCW
5 59.18.030 and RCW 59.18.040 in effect at the time the rental agreement is executed. At the time
6 of passage of this ordinance, RCW 59.18.030 defined "tenant" as "any person who is entitled to
7 occupy a rental housing unit primarily for living or dwelling purposes under a rental agreement."

8 **7.28.040 Applicability**

9 A. This Chapter 7.28 applies to the rental of all housing units, which shall be broadly
10 interpreted to include any habitation for which rent is charged, except:

- 11 1. Housing units lawfully used as short-term rentals as defined in Section
12 23.84A.024;
- 13 2. Housing units in hotels, motels, inns, bed and breakfasts, or similar
14 accommodations that provide lodging for transient guests;
- 15 3. Emergency or temporary shelter or transitional housing accommodations;
- 16 4. Housing units that a government entity or housing authority owns, operates, or
17 manages;
- 18 5. Housing units that are rented exclusively to immediate family members of the
19 property owner; and
- 20 6. Housing units exempted from municipal housing regulation by federal, state, or
21 local law.

22 B. No rental agreement, whether oral or written, may waive or forgo rights or remedies
23 provided to the tenant under this Chapter 7.28.

1 C. The restrictions on rent increases prescribed by this Chapter 7.28 apply to a rental
2 housing unit, not to the identity or number of tenants or to an individual rental agreement.
3 Therefore, when a rental housing unit is vacated any rent increase applied to new tenants must be
4 consistent with the restrictions on rent increases prescribed by this Chapter 7.28 as if the
5 previous tenant remained in occupancy.

6 **7.28.050 Control on rent increases**

7 A. Except as provided in Sections 7.28.050, 7.28.060, and 7.28.070, a landlord may
8 increase rent charged for a rental housing unit by no more than the maximum annual rent
9 increase. If a landlord increases the rent charged for a rental housing unit more than once in a 12-
10 month period, the total increase during that 12-month period may not be greater than the
11 maximum annual rent increase for the applicable year.

12 B. Nothing in this Chapter 7.28 prevents a landlord from increasing rent charged for a
13 rental housing unit by less than the maximum annual rent increase, choosing not to increase rent
14 charged, or decreasing rent charged.

15 **7.28.060 Maximum annual rent increase**

16 A. The maximum annual rent increase is equivalent to rate of inflation multiplied by the
17 average monthly rent charged in the preceding 12 months. The Director shall publish on the
18 Department's website no later than January 1 of each calendar year the rate of inflation
19 applicable for that calendar year along with the historical data of the maximum annual rent
20 increase for at least each of the previous ten years.

21 B. The City Council must hold a minimum of two public hearings on any bill that would
22 amend the maximum annual rent increase before taking a final vote on the bill. The bill must

1 contain reasons explaining why the Council believes the amount is in the public interest. Those
2 reasons may include but are not limited to:

- 3 1. Any recommendations from the Rent Control Board pursuant to Section
4 7.28.120;
- 5 2. The occurrence of a natural disaster such as an earthquake or other emergencies
6 impacting large areas of Seattle; or
- 7 3. Large and unusual changes to the taxes or other legal obligations applied to
8 renters and property owners.

9 The ordinance must be approved by no less than a super majority of 2/3 of the
10 Councilmembers present to be adopted.

11 **7.28.070 Utilities included in rent**

12 A. If a landlord pays utility bills for a rental housing unit, the landlord may include the
13 cost in the rent. If tenants pay utility costs directly to the utilities, the landlord must exclude
14 those costs from the rent.

15 B. If utility charges were not included as a component of rent for a rental housing unit
16 under its most recent rental agreement and will be a component of rent under a new rental
17 agreement, the cost of utilities is exempt from the limitation on rent increases specified in
18 Section 7.28.050. If the cost of utilities is included in the rent pursuant to this subsection
19 7.28.070.B, the cost may not exceed the average cost of the same utilities for the rental housing
20 unit during the 12 months prior to the date the rent increase takes effect. The cost of the utilities
21 included in the rent may only include utility charges paid by the landlord to the utility for the use
22 and delivery of service and may not include late fees charged to the landlord.

1 C. If utility charges were included as a component of rent for a rental housing unit under
2 its most recent rental agreement but will not be a component of rent under a new rental
3 agreement, the amount of the maximum annual rent increase under the new agreement shall be
4 reduced by the average cost of the utilities paid during the 12 months prior to the date of the new
5 rental agreement.

6 **7.28.080 One-to-one replacement of controlled rents, and initial rents in new construction**
7 **and units not previously available for rent**

8 A. For any new proposed building containing rental housing that is located on the site of
9 a rental housing structure that was demolished at any time within ten years prior to the issuance
10 of the Master Use Permit for the new building, the landlord of the new building may not charge
11 an initial rent for rental housing units in the new building that exceeds the rent most recently
12 charged in the demolished rental housing units plus an amount of increased rent allowed
13 pursuant to Sections 7.28.050, 7.28.060, and 7.20.070, using the rent most recently charged in
14 the demolished rental housing units as the baseline for calculation of that increased amount,
15 pursuant to the following provisions:

16 1. If the new rental housing unit has square footage different than the demolished
17 rental housing unit, the amount of initial rent for the new rental housing unit must be adjusted
18 proportionately based upon the ratio of rent to square footage.

19 2. If the new building increased the amount of rental housing available above the
20 square footage previously present on the parcel for rental housing, the landlord may set initial
21 rent without limitation on the new rental housing units comprised of the excess square footage
22 pursuant to subsection 7.28.080.B. All other rental housing units in the redevelopment, not in
23 excess of the square footage of the rental housing previously present on the parcel, rounded up to

1 the nearest whole unit, are not considered additional rental housing units, and are not subject to
2 this exception. If the replacement rental housing units or the rental housing previously present on
3 the parcel are not uniform, or vary in size, number of bedrooms, furnishings or any other
4 characteristic impacting the value or desirability of the rental housing unit, a landlord must make
5 a good faith effort to match corresponding rental housing units in the new construction and the
6 previously present rental housing when determining which rental housing units are considered
7 additional.

8 B. Nothing in this Chapter 7.28 is intended to regulate the initial rent that a landlord may
9 charge for a rental housing unit if any of the following conditions are met:

10 1. The rental housing unit is not on the site of any demolished rental housing
11 structure which existed on that parcel at any time within ten years prior to the issuance of the
12 Master Use Permit for the new construction;

13 2. The rental housing unit was not rented as a rental housing at any time within
14 the previous ten years; or

15 3. The rental housing unit is in a new construction project on the site of any
16 demolished rental housing structure that had less square footage than the new construction
17 project and which existed on that parcel at any time within ten years prior to the issuance of the
18 Master Use Permit for the new construction, and all the conditions of subsection 7.28.080(A)
19 have been met by other rental housing units in the new construction.

20 After the initial rent for a rental housing unit is established, all future rent increases are
21 subject to compliance with Sections 7.28.050, 7.28.060, and 7.28.070.

22 C. For the purposes of this Chapter 7.28, it is intended for subdivisions and other changes
23 to parcel boundaries to have no impact on the control of rents.

D. For projects in which a Master Use Permit application is filed after the effective date of this ordinance, the applicant must file and the Director must approve a plan to comply with this subsection.

7.28.100 Notice of rent increases

Any notice of rent increase must be expressed as a dollar amount and as a percentage of current rent. If requested, the department shall assist any landlord or tenant in calculating the dollar amount and percentage of any rent increases.

7.28.110 Registration

When rental housing units are registered, renewed, reinstated, or updated with the Department pursuant to Section 22.214.040, the landlord shall include the following information in the landlord's submittal documents: the amount of rent that has been charged over the previous ten years, any rent increases since the first registered amount in the previous ten years, and the current rental amount. Violation of this Section 7.28.110 is subject to enforcement under Chapter 22.214.

7.28.120 Rent Control Board established

A. Establishment. There is established a Rent Control Board that shall make recommendations to the City Council and Mayor regarding rent control policies and review emergency rent control exemption petitions, pursuant to this Chapter 7.28.

1. To accomplish these purposes the Rent Control Board shall:

a. Solicit citizen and community comment, identify priorities, and make recommendations to the City Council and the Mayor regarding rent control policies and regulations.

1 b. Review, and if necessary, recommend changes to the City Council and
2 the Mayor about the maximum annual rent increase amount pursuant to Section 7.28.060.

3 c. Ensure fair and consistent application of rent control regulations.

4 2. District Rent Control Boards shall:

5 a. Hold hearings on emergency rent control exemption petitions.

6 b. Determine whether a petition for an emergency rent control exemption
7 meets the criteria for granting emergency exemptions pursuant to Section 7.28.130 and notify the
8 Director of the Board's decision to approve, condition, or deny an emergency rent control
9 exemption petition.

10 B. Rent Control Board membership criteria

11 1. Members should include renters and landlords, including historically
12 underrepresented groups such as low income renters, people of color, LGBTQ people,
13 immigrants, people paying rent with assistance, renters who have experienced homelessness,
14 small landlords, people renting apartments, and renters sharing a house with roommates;

15 2. Members should possess a familiarity with rent control policies; and

16 3. Consistent with Section 4.16.070, no member of the Rent Control Board shall
17 have a financial or other private interest, direct or indirect, personally or through a person in the
18 member's immediate family, in an emergency rent control exemption petition under review by
19 the Rent Control Board.

20 C. Rent Control Board composition and selection process

21 1. The Rent Control Board shall be composed of 35 renters and seven landlords
22 serving two-year terms.

2. For every position prior to January 1, 2024, and for every vacant position between elections as described in subsection 7.28.120.C.3, the renter and landlord members of the Rent Control Board shall be appointed by the City Council. Each of the seven City Councilmembers who represents a district shall nominate five renters who live in the Councilmember's district, as well as a landlord who owns or manages rental housing in the Councilmember's district. Any term that starts between December 31, 2021 and December 31, 2023 will end on December 31, 2023. After December 31, 2023, vacant positions between elections as described in subsection 7.28.120.C.3 shall be filled by the district nomination process in this subsection 7.28.120.C.2, and members appointed to fill vacancies shall serve terms ending on the December 31 immediately after a general election.

3. Beginning in the 2023 primary and general election, for terms starting on January 1, 2024 and every two years thereafter, all members of the Rent Control Board except the young adult member(s) shall be elected. Voters in each City Council district are eligible to vote for the five renter and one landlord representative from the corresponding City Council district.

4. A member whose term is ending may continue on an interim basis as a member with voting rights until such time as a successor for that position has been appointed or elected.

5. Any member may request an excused absence from any Rent Control Board meeting. The Rent Control Board may recommend, by a majority vote of all members of the Rent Control Board, that the City Council remove any member who is absent without excuse from three or more consecutive Board meetings. Any member may resign from the Rent Control Board at any time by notifying the City Council in writing, which may be by electronic communication. Upon receipt of a written resignation, or the recommendation from the Rent

1 Control Board to remove a member, the City Council may remove that member. The City
2 Council may remove any member for cause.

3 D. District Rent Control Boards

4 1. The Rent Control Board shall be divided into District Rent Control Boards,
5 each consisting of a single district's elected or appointed members.

6 2. Three Rent Control Board members constitute a quorum of each District Rent
7 Control Board.

8 3. Substitutions

9 a. If more emergency rent control exemption petitions as provided for in
10 section 7.28.130 are undergoing simultaneous review than a District Rent Control Board can
11 review in a timely manner, the Director may assign such petitions to another District Rent
12 Control Board.

13 b. If an individual District Rent Control Board member is unable to serve,
14 the Director may appoint an individual from another District Rent Control Board to serve in the
15 member's absence.

16 E. Meetings of the Rent Control Board

17 1. District Rent Control Boards shall hold monthly meetings for the purpose of
18 reviewing emergency rent control exemption petitions regarding rental housing located within
19 the Board's District. The Director shall make public in a timely manner a schedule and locations
20 of District Rent Control Board meetings. The District Rent Control Board shall determine
21 whether a petition for an emergency rent control exemption meets the criteria for granting
22 exemptions pursuant to Section 7.28.130. The Board's decision to approve or deny the petition
23 shall be conveyed to the Director, who shall notify the applicant of the Board's decision.

2. The Rent Control Board shall meet as a whole four times each year, to conduct a quarterly review of rental housing costs in Seattle, to take public comment, and to make recommendations to City Council and the Mayor. The Director shall make public in a timely manner a schedule and location of the Rent Control Board meetings.

3. Meeting notifications, agendas, minutes of proceedings, findings, and recommendations, and any other materials shall be available to the public and posted on the Department's website.

4. All meetings of the District Rent Control Boards shall be held in the evening within the district and in a location that is accessible and conveniently located to district residents. Board meetings are open to the general public.

F. The Department shall provide staff for the Rent Control Board and the District Rent Control Boards as needed to ensure their ability to function pursuant to this Section 7.28.120.

7.28.130 Emergency rent control exemptions

A. Landlords may petition their District Rent Control Board for an emergency exemption from the limitation on rent increases set forth in this Chapter 7.28, pursuant to the procedures and criteria contained in this Section 7.28.130. The petitioning landlord is referred to in this Section 7.28.130 as the "Applicant." Applicants may apply for an exemption if they have incurred unforeseen costs of repairing major damage to their property due to unforeseeable events such as earthquakes, flood, or fire and financial hardship prevents the applicant from completing repairs without an exemption. Petitions should be submitted to the Department and must include all of the following to be complete:

1. The name, address, and contact information of the Applicant;
2. The address of each rental housing unit for which the exemption is requested;

1 3. The rent currently charged for each rental housing unit for which the exemption
2 is requested;

3 4. The amount of rent increase requested;

4 5. The name, address, and contact information for every adult tenant currently
5 residing in each rental housing unit for which the exemption is requested;

6 6. A description of the unforeseen costs, the events that caused those costs, and
7 information demonstrating that, without the exemption, financial hardship will prevent the
8 applicant from completing repairs.

9 7. A signed statement attesting that, on penalty of perjury, the contents of the
10 petition are true to the best knowledge of the applicant; and

11 8. Payment of the administrative fee pursuant to subsection 7.28.130.D.

12 The Department shall return incomplete petitions to the applicant along with a description
13 of the information that must be provided to make a complete petition. The Director shall assign
14 complete petitions for a hearing to a District Rent Control Board pursuant to Section 7.28.130.

15 B. Tenants residing in any rental housing unit for which an emergency rent control
16 exemption is requested shall be notified by the Director via certified mail, return receipt
17 requested, and regular mail that a petition for an emergency rent control exemption has been
18 submitted to the Department. The Director may require that the notice occur in a language that is
19 the same as that spoken by tenants. The notification shall include:

20 1. A copy of the complete petition;

21 2. A description of the tenant's right to respond to the petition and provide
22 testimony to the District Rent Control Board at the hearing regarding the petition; and

1 3. The date, time, and location of the District Rent Control Board meeting when
2 the petition will be considered. The meeting may be no sooner than 15 calendar days after the
3 date the Director determines that all tenants have received the notification.

4 C. In considering petitions for exemptions from limitations on rent increases, the Rent
5 Control Board shall consider the following:

- 6 1. Financial hardship to the landlord caused by the unforeseeable event;
7 2. Financial hardship to tenants if the exemption is granted; and
8 3. Whether the exemption can be reasonably expected to result in one or more
9 tenants being unable to remain housed in Seattle. Generally, the exemption should not be granted
10 if that reasonable expectation is met.

11 The Rent Control Board may not consider costs resulting from foreseeable major repairs
12 or arising from routine wear and tear.

13 D. The applicant shall pay the Director a \$500 administrative fee at the time a petition is
14 submitted for each rental housing unit included in a petition. The fee shall be refunded to the
15 applicant in its entirety for any petition that is approved or conditionally approved by the Rent
16 Control Board if any rental housing unit included in the petition is granted an exemption.

17 E. During a regularly scheduled evening meeting of the District Rent Control Board, the
18 Board shall review the emergency rent control exemption petition, hear and review written
19 public comments, and hear and review written testimony from the applicant, the tenants, or their
20 designees. The applicant shall have the burden of proof to demonstrate that criteria for granting
21 an exemption described in subsection 7.28.130.C are satisfied. After receiving all public
22 comment and testimony, the District Rent Control Board shall consider and decide whether to
23 approve, conditionally approve, or deny the petition. The Board's decision requires a majority

1 vote of District Rent Control Board members voting. Tie votes constitute denial of the petition.
2 Conditional approvals may grant an emergency rent control exemption for a rent increase
3 amount that is different than the rent increase amount requested in the petition. The Rent Control
4 Board shall notify the Director of the decision, and the Director shall then transmit that decision
5 to the applicant and tenants. For approved and conditionally approved decisions, the Director
6 shall include in the transmittal the rent increase allowed by the Emergency Rent Control
7 Exemption.

8 **7.28.140 Request for reconsideration and appeals**

9 A. The applicant or any tenant residing in the rental housing unit at the time the petition
10 was submitted to the Department may request the District Rent Control Board reconsider its
11 decision on an emergency rent control exemption petition on the basis of any of the following:

12 1. The information submitted to the District Rent Control Board at the hearing
13 was substantially inaccurate and that those inaccuracies likely could have affected the decision of
14 the District Rent Control Board;

15 2. The tenant failed to receive notice of the petition as required by this Chapter
16 7.28; or

17 3. Substantial new evidence, not presented to the District Rent Control Board, has
18 become available, and the evidence could not reasonably have been available at the time of the
19 District Rent Control Board meeting, and that the evidence could have affected the decision of
20 the District Rent Control Board.

21 B. If the District Rent Control Board decides the decision should be reconsidered, the
22 petition is returned to the District Rent Control Board to be heard again at a future District Rent
23 Control Board meeting pursuant to Sections 7.28.120 and 7.28.130.

1 C. The applicant or any tenant residing in the rental housing unit at the time the petition
2 was submitted to the Department may appeal the decision of the District Rent Control Board on
3 an emergency rent control exemption petition to the Hearing Examiner on the basis that one or
4 more members of the District Rent Control Board failed to recuse themselves based upon a
5 conflict of interest as described in subsection 7.28.120.B.3.

6 **7.28.150 Retaliation prohibited**

7 A. It is a violation of Chapter 7.28 for any person to retaliate against a tenant or
8 prospective tenant because the tenant or prospective tenant exercised or attempted to exercise
9 rights conferred by Chapter 7.28. Retaliation means any of the following actions:

10 1. Refusing to provide, accept, or approve a rental application or a rental
11 agreement except as otherwise allowed by law.

12 2. Applying more onerous terms, conditions, or privileges, including increased
13 rent, to a tenant or prospective tenant who exercises rights under this Chapter 7.28 than to a
14 tenant or prospective tenant who does not assert those rights.

15 3. Misrepresenting any material fact when providing a rental reference about a
16 tenant.

17 4. Threatening to allege to a government agency that a tenant or prospective
18 tenant, or a family member of a tenant or prospective tenant, is not lawfully in the United States.

19 B. If a person takes any of the actions identified in subsection 7.28.150.A within 90 days
20 of the date a tenant or prospective tenant exercises rights conferred by this Chapter 7.28, it is
21 presumed that the action was taken in retaliation for the exercise of those rights. The person
22 taking the actions may rebut the presumption by producing clear and convincing evidence that
23 the actions were not retaliatory.

7.28.160 Administration and enforcement

A. The Director shall administer and enforce the provisions of this Chapter 7.28 and is authorized to adopt rules and regulations to implement this Chapter 7.28.

B. The Department shall provide technical assistance to landlords and tenants to achieve compliance with Chapter 7.28.

C. The first and second violations of this Chapter 7.28 shall be enforced as citations pursuant to Section 7.28.170. Subsequent violations may be enforced, at the Director's discretion, pursuant to the notice of violation provisions prescribed in Section 7.28.180 or pursuant to criminal provisions prescribed in Section 7.28.190.

7.28.170 Citation

A. Citation. If after investigation the Director determines that the standards or requirements of this Chapter 7.28 have been violated, the Director may issue a citation to the landlord. The citation shall include the following information:

1. The name and address of the landlord to whom the citation is issued;
2. The address of the rental housing unit(s) impacted by the landlords' actions;
3. A separate statement of each standard or requirement violated by the landlord;
4. The date of the violation;
5. A statement that the landlord must respond to the citation within 15 days after service of the notice of violation;
6. A space for entry of the applicable remedy and penalty;
7. A statement that a response must be sent to the Hearing Examiner and received not later than 5 p.m. on the day the response is due;

1 8. The name, address, and phone number of the Hearing Examiner where the
2 citation is to be filed;

3 9. A statement that the citation represents a determination that a violation has
4 been committed by the landlord named in the citation and that the determination shall be final
5 unless contested as provided in subsection 7.28.170.C; and

6 B. Service. The citation may be served by personal service in the manner set forth in
7 RCW 4.28.080 for service of a summons or sent by first class mail, addressed to the last known
8 address of the landlord. Service shall be complete at the time of personal service, or if mailed,
9 three days after the date of mailing.

10 C. Response to citations

11 1. A citation must be responded to in one of the following ways:

12 a. Payment of the monetary remedy and penalty specified in the citation,
13 in which case the record shall show a finding that the landlord committed the violation; or

14 b. A written request for a mitigation hearing to explain the circumstances
15 surrounding the commission of the violation and providing an address to which notice of such
16 hearing may be sent; or

17 c. A written request for a contested hearing specifying the reason(s) why
18 the cited violation did not occur or why the landlord is not responsible for the violation, and
19 providing an address to which notice of such hearing may be sent.

20 2. A response to a citation must be received by the Office of the Hearing
21 Examiner no later than 15 days after the date the citation is served.

22 D. Failure to respond. If the Office of the Hearing Examiner does not receive a response
23 within 15 days of service of the citation, the Hearing Examiner shall enter an order finding that

1 the landlord committed the violation stated in the citation and assessing the penalty specified in
2 the citation.

3 E. Hearings

4 1. Mitigation hearings

5 a. Date and notice. If a mitigation hearing is requested, the mitigation
6 hearing shall be held within 30 days after written response to the citation requesting such hearing
7 is received by the Hearing Examiner. Notice of the time, place, and date of the hearing shall be
8 sent to the address specified in the request for hearing not less than ten days prior to the date of
9 the hearing.

10 b. Procedure at hearing. The Hearing Examiner shall hold an informal
11 hearing that shall not be governed by the Rules of Evidence. The landlord may present witnesses,
12 but witnesses may not be compelled to attend. A representative from the Department may also be
13 present and may present additional information, but attendance by a representative from the
14 Department is not required.

15 c. Disposition. The Hearing Examiner shall determine whether the
16 landlord's explanation justifies reduction of the monetary penalty; however, the monetary
17 penalty may not be reduced unless the Department affirms or certifies that the violation has been
18 corrected prior to the mitigation hearing. Factors that may be considered in whether to reduce the
19 penalty include whether the violation was caused by the act, neglect, or abuse of another; or
20 whether correction of the violation was commenced promptly prior to citation but that full
21 compliance was prevented by a condition or circumstance beyond the control of the person cited.

22 d. Entry of order. After hearing the explanation of the landlord and any
23 other information presented at the hearing, the Hearing Examiner shall enter an order finding that

1 the landlord committed the violation and assessing a monetary remedy and penalty in an amount
2 determined pursuant to subsection 7.28.170.F. The Hearing Examiner's decision is the final
3 decision of the City on the matter.

4 2. Contested hearing

5 a. Date and notice. If a landlord requests a contested hearing, the hearing
6 shall be held within 60 days after the written response to the citation requesting such hearing is
7 received.

8 b. Hearing. Contested hearings shall be conducted pursuant to the
9 procedures for hearing contested cases contained in Section 3.02.090 and the rules adopted by
10 the Hearing Examiner for hearing contested cases, except as modified by this subsection
11 7.28.170.E.2. The issues heard at the hearing shall be limited to those that are raised in writing in
12 the response to the citation and that are within the jurisdiction of the Hearing Examiner. The
13 Hearing Examiner may issue subpoenas for the attendance of witnesses and the production of
14 documents.

15 c. Sufficiency. No citation shall be deemed insufficient for failure to
16 contain a detailed statement of the facts constituting the specific violation which the landlord is
17 alleged to have committed or by reason of defects or imperfections, provided such lack of detail
18 or defects or imperfections do not prejudice substantial rights of the landlord.

19 d. Amendment of citation. A citation may be amended prior to the
20 conclusion of the hearing to conform to the evidence presented if substantial rights of the
21 landlord are not thereby prejudiced.

22 e. Evidence at hearing. The certified statement or declaration authorized
23 by RCW 9A.72.085 shall be prima facie evidence that a violation occurred, and that the landlord

1 is responsible. The certified statement or declaration authorized under RCW 9A.72.085 and any
2 other evidence accompanying the report shall be admissible without further evidentiary
3 foundation. The landlord may rebut the Department's evidence and establish that the cited
4 violation(s) did not occur or that the landlord contesting the citation is not responsible for the
5 violation.

6 f. Disposition. If the citation is sustained at the hearing, the Hearing
7 Examiner shall enter an order finding that the landlord committed the violation. If the violation
8 remains uncorrected, the Hearing Examiner shall impose the applicable penalty. The Hearing
9 Examiner may reduce the monetary penalty in accordance with the mitigation provisions in
10 subsection 7.28.170.E.1 if the violation has been corrected. If the Hearing Examiner determines
11 that the violation did not occur, the Hearing Examiner shall enter an order dismissing the
12 citation.

13 g. Appeal. The Hearing Examiner's decision is final and conclusive unless,
14 within ten calendar days of the date of the Hearing Examiner decision, an application or petition
15 for a writ of review is filed in King County Superior Court. Judicial review shall be confined to
16 the record of the administrative hearing. The Superior Court may reverse the Hearing Examiner
17 decision only if the decision is arbitrary and capricious, contrary to law, in excess of the
18 authority or jurisdiction of the Hearing Examiner, made upon unlawful procedure, or in violation
19 of constitutional provisions.

20 3. Failure to appear for hearing. Failure to appear for a requested hearing will
21 result in an order being entered finding that the landlord committed the violation stated in the
22 citation and assessing the penalty specified in the citation. For good cause shown and upon terms

1 the Hearing Examiner deems just, the Hearing Examiner may set aside an order entered upon a
2 failure to appear.

3 F. Citation remedies and penalties

4 1. The following penalties shall be assessed for violations of any provision of this
5 Chapter 7.28:

6 a. \$500 for the first violation; and

7 b. \$1000 for each subsequent violation within a five-year period.

8 2. Violation warning. The Director may, in an exercise of discretion, issue a
9 warning to the person responsible for the violation if that person has not been previously warned
10 or cited for violating this Chapter 7.28.

11 3. Collection of penalties. If the person cited fails to pay a penalty imposed
12 pursuant to this Section 7.28.170, the penalty may be referred to a collection agency. The cost to
13 the City for the collection services will be assessed as costs, at the rate agreed to between the
14 City and the collection agency, and added to the penalty. Alternatively, the City may pursue
15 collection in any other manner allowed by law.

16 **7.28.180 Notice of violation**

17 A. Investigation and notice of violation issuance

18 1. If after investigation the Director determines that the standards or requirements
19 of this Chapter 7.28 have been violated, and the landlord has had two or more citations issued
20 within the past three years for violating this Chapter 7.28, the Director may issue a notice of
21 violation to the landlord. The notice of violation shall state separately each standard or
22 requirement violated, shall state what corrective action, if any, is necessary to comply with the
23 standards or requirements, and shall set a reasonable time for compliance.

2. The notice shall be served upon the landlord by personal service, or by first class mail to the landlord's last known address. If a notice of violation is directed to a landlord who is not the owner, a copy of the notice shall be sent to the owner of the property.

3. A copy of the notice of violation may be filed with the King County Recorder's Office when the landlord fails to correct the violation or the Director requests the City Attorney take appropriate enforcement action.

B. Review of the notice of violation by the Director

1. Any person significantly affected by or interested in a notice of violation issued by the Director pursuant to subsection 7.28.180.A may obtain a review of the notice by requesting such review within ten days after service of the notice. The request shall be in writing, and upon receipt of the request, the Director shall notify any persons served the notice of violation and the complainant, if any, of the request for review and the deadline for submitting additional information for the review. Additional information shall be submitted to the Director no later than 15 days after the notice of a request for a review is mailed, unless otherwise agreed by all persons served with the notice of violation. Before the deadline for submission of additional information, any person significantly affected by or interested in the notice of violation (including any persons served the notice of violation and the complainant) may submit any additional information in the form of written material or oral comments to the Director for consideration as part of the review.

2. The review will be made by a representative of the Director who is familiar with the case and the applicable ordinances. The Director's representative will review all additional information received by the deadline for submission of additional information. The

reviewer may also request clarification of information received and a site visit. After review of the additional information, the Director may:

- a. Sustain the notice of violation;
- b. Withdraw the notice of violation;
- c. Continue the review to a date certain for receipt of additional information; or
- d. Modify the notice of violation, which may include an extension of the compliance date.

3. Where review by the Director has been conducted pursuant to this subsection 7.28.180.B, the Director shall issue an order of the Director containing the decision within 15 days of the date that the review is completed and shall cause the same to be mailed by regular first class mail to the person or persons named on the notice of violation and, if possible, mailed to the complainant. Unless a request for review before the Director is made pursuant to this subsection 7.28.180.B, the notice of violation shall become the order of the Director.

C. Civil enforcement proceedings and penalties for a notice of violation

1. In addition to any other remedy authorized by law or equity, any landlord violating or failing to comply with any of the provisions of this Chapter 7.28 shall be subject to a cumulative penalty of up to \$500 per day for each violation until compliance is achieved. In cases where the Director has issued a notice of violation, the violation will be deemed to begin for purposes of determining the number of days of violation on the date compliance is required by the notice of violation. The City shall also be entitled to recovery of its enforcement costs, including but not limited to staff time, administrative expenses and fees, and attorneys' fees.

1 2. The penalty imposed by subsection 7.28.180.C.1 shall be collected by civil
2 action brought in Seattle Municipal Court or as otherwise required by law. The Director shall
3 request in writing that the City Attorney take enforcement action and the City Attorney shall,
4 with the assistance of the Director, take appropriate action to enforce this Chapter 7.28. In any
5 civil action for a penalty, the City has the burden of proving by a preponderance of the evidence
6 that a violation exists or existed; the issuance of the notice of violation or of an order following a
7 review by the Director is not itself evidence that a violation exists.

8 D. Final decisions of the Seattle Municipal Court on enforcement actions authorized by
9 this Section 7.28.180 may be appealed pursuant to the Rules for Appeal of Decisions of Courts
10 of Limited Jurisdiction.

11 **7.28.190 Alternative criminal penalty**

12 Any landlord who violates or fails to comply with any of the provisions in this Chapter 7.28 and
13 who has had at least two or more citations and one notice of violation issued against them for
14 violating this Chapter 7.28 within the past three years from the date the criminal charge is filed
15 shall upon conviction be guilty of a misdemeanor subject to the provisions of Chapters 12A.02
16 and 12A.04, except that absolute liability shall be imposed for such a violation or failure to
17 comply and none of the mental states described in Section 12A.04.030 need be proved. The
18 Director may request the City Attorney prosecute such violations criminally as an alternative to
19 the citation and notice of violation procedures outlined in this chapter.

20 **7.28.200 Private right of action**

21 If a landlord increases rent in violation of Chapter 7.28, the tenant may bring a civil action
22 against the landlord in a court of competent jurisdiction to recover: 1) any actual damages
23 incurred by the tenant as a result of the increase, including but not limited to a refund of rent paid

1 in excess of that allowed by Chapter 7.28; 2) a penalty of up to two months' rent; and 3)
2 reasonable attorneys' fees and costs.

3 **7.28.210 Achieving compliance**

4 A. A landlord who charges rent in excess of the amount allowed by sections 7.28.050,
5 7.28.060, or 7.28.070 is in violation of this Chapter 7.28 and is subject to the penalties and
6 remedies provided by this Chapter 7.28. A landlord can achieve compliance with this Chapter
7 7.28 by:

8 1. Reducing the rent to an amount that does not exceed the provisions of this
9 section, and notifies the tenants of the reduced rent;

10 2. Refunding to the tenant any rent that was paid by the tenant that exceeded the
11 amount allowed by this ordinance; and

12 3. Paying the tenant for any costs incurred by the tenant resulting from the
13 landlord's attempts to collect rent in excess of that allowed by this ordinance, including but not
14 limited to the costs of eviction proceedings, payment of late fees, correcting reports to collection
15 and credit agencies, and correcting negative tenant references.

16 Section 2. Subsection 22.214.040.G of the Seattle Municipal Code, which section was
17 last amended by Ordinance 125705, is amended as follows:

18 **22.214.040 Rental housing registration, compliance declaration, and renewals**

19 * * *

20 G. An application for a rental housing registration shall be made to the Department on
21 forms provided by the Director. The application shall include, but is not limited to:

22 1. The address of the property;

23 2. The name, address, and telephone number of the property owners;

3. The name, address, and telephone number of the registration applicant if different from the property owners;

4. The name, address, and telephone number of the person or entity the tenant is to contact when requesting repairs be made to their rental housing unit, and the contact person's business relationship to the owner;

5. A list of all rental housing units on the property, identified by a means unique to each rental housing unit, that are or may be available for rent at any time, along with the amount of rent that was charged for each rental housing unit for the previous ten years, any rent increases occurring during the previous ten years, and the current rent for each rental housing unit;

6. A declaration of compliance from the owner or owner's agent, declaring that all rental housing units that are or may be available for rent are listed in the registration application and meet or will meet the standards in this Chapter 22.214 before the rental housing units are rented; and

7. A statement identifying whether the conditions of the rental housing units available for rent and listed on the application were established by declaration of the owner or owner's agent, or by physical inspection by a qualified rental housing inspector.

* * *

Section 3. Section 3.06.030 of the Seattle Municipal Code, last amended by Ordinance 124919, is amended as follows:

3.06.030 Director—Powers and duties

The Director of the Seattle Department of Construction and Inspections, under direction of the Mayor, shall manage the Seattle Department of Construction and Inspections, appoint, assign,

1 and dismiss all employees in conformance with the City's personnel ordinances and rules, and
2 perform the following functions:

3 A. Enforcing development-related ordinances and rules of the City, including but not
4 limited to the Building Code; the Residential Code; the Electrical Code; the Mechanical Code;
5 the Housing and Building Maintenance Code; the Land Use Code; the Pioneer Square Minimum
6 Maintenance Ordinance; the Condominium Conversion Ordinance; the Energy Code; the
7 Stormwater Code; the Grading Code; the Rental Registration and Inspection Ordinance; the
8 Tenant Relocation Assistance Ordinance; the Noise Control Code; the Shoreline Master
9 Program; and the Regulations for Environmentally Critical Areas;

10 B. Processing applications for permits for construction and land use approvals, grading
11 and site work, boilers, conveyance devices, mechanical equipment and systems, side sewers,
12 billboards and signs, zoning exceptions, subdivisions and other land use approvals, including
13 those related to shoreline management but excluding those related to historic preservation;

14 C. Conducting reviews of the effects of proposed projects on the physical environment,
15 as prescribed by the State Environmental Policy Act and City ordinances;

16 D. Addressing complaints regarding a variety of community safety and quality of life
17 issues, including but not limited to conditions in tenant housing, construction without permits,
18 unauthorized uses, junk storage, and unsecured vacant buildings;

19 E. Administering the rental housing and tenant protection programs including but not
20 limited to rental housing registration and inspection, rent control, tenant relocation assistance,
21 and just cause eviction protections;

22 F. Maintaining appropriate records regarding property, permits, and structures; and

23 G. Discharging such other responsibilities as may be directed by ordinance.

1 The Director shall consult on all matters of structural strength and design with an assistant who is
2 a licensed structural engineer or architect with at least five years' experience in the practice of the
3 profession, unless the Director possesses such qualifications. Moreover, the Director shall
4 consult on all matters concerning compliance with design guidelines with a qualified architect or
5 urban designer with at least five years of experience in the practice of the profession, unless the
6 Director possesses such qualifications.

7 Section 4. This ordinance shall take effect and be in force on the date that legislation
8 repealing RCW 35.21.830 to allow municipal rent control takes effect.

9
10 Passed by the City Council the _____ day of _____, 2020,
11 and signed by me in open session in authentication of its passage this _____ day of
12 _____, 2020.

13 _____
14 President _____ of the City Council

15 Approved by me this _____ day of _____, 2020.

16 _____
17 Jenny A. Durkan, Mayor

18 Filed by me this _____ day of _____, 2020.

1

Monica Martinez Simmons, City Clerk

2

(Seal)

DRAFT